(b) if so, what is the outcome thereof;

(c) what precaution has been taken to see that the Forex remittance scheme is not used as a major tool to launder unaccounted rupee holdings by resident Indians by transferring the ownership of black rupee in exchange of foreign currency drafts to the possession of NRIs working abroad; and

(d) whether it is a fact that the nation is losing around Rs. 30,000 crore (about $ 1 billion) every year, on account of non-repatriation of foreign exchange because of hawala, which the importers, exporters and smuggling syndicates indulge in, if so, the steps taken to guard against the hawala transactions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Although no formal appraisal has been made, it is observed that the responses to the Schemes have been encouraging.

(c) The enforcement agencies book all those transactions which are in violation of FERA and take necessary action against the offenders under the law.

(d) There is no evidence to suggest that the Nation is losing around $ 1 Billion every year on account of non-repatriation of foreign exchange because of hawala transactions.

Cut in aid by Germany

1073. SHRI YASHWANT SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Germany have announced that it will reduce aid to India because our defence expenditure is excessive; and

(b) if so, the reaction of Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir. However, according to some press reports, the Federal German Minister for Economic Cooperation has indicated that German development assistance to a few countries including India could be reduced on account of excessive military expenditure.

(b) In the view of the Government of India, non-economic considerations should not be imposed for determining the level of official development assistance. It has been further clarified that Indian defence expenditure as a percentage of its Gross Domestic Product is not high.

Memorandum submitted by employees of National Confederttion of R.R.Bs.

1074. SHRI R. S. NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a memorandum was submitted by the National Confederation of Regional Rural Banks employees to the working group on R.R.Bs.;

(b) if so, what are the details thereof

(c) whether it is also a fact that in the above mentioned memorandum, one of the demands was that the employees having the qualification of graduation may be promoted to clerical cadre, irrespective of number of years of service;

(d) if so, whether Government has taken any decision thereon; and

(e) if the reply to part (d) above be in the negative what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) National Bank for Agriculture and Rural Development (NABARD) has reported that the National Confederation of Regional Rural Bank employees have submitted a memorandum to the Working Group on RRBs constituted by NABARD.

(b) The memorandum submitted by the confederation relates to framing of staff regulations for all categories of Regional Rural Banks' Employees promotion and recruitment policy, promotion from one cadre to the next cadre, benefits/allo